

NCA

VOC FOR IOP/FN
BACKGROUNDER NO. 5-5729
BARRY MAUGHAN

APRIL 17, 1978

NIGER: NEW ECONOMIC HOPE

ANNCR:

NIGER, AFTER YEARS OF ECONOMIC STAGNATION, DUE FOR THE MOST PART TO THE PROLONGED DROUGHT IN THE SAHEL REGION OF WEST AFRICA, NOW SEES HOPE FOR AN ECONOMIC TURNABOUT. VOA'S BARRY MAUGHAN EXPLAINS THE REASONS FOR THIS OPTIMISM.

VOICE:

THE MAIN REASON FOR NIGER'S HOPES FOR A BRIGHTER ECONOMIC FUTURE IS URANIUM. LAST YEAR, NIGER EXPORTED APPROXIMATELY TWO THOUSAND TONS OF THE STRATEGIC MINERAL. THAT REPRESENTS A FIVE FOLD INCREASE OVER THE AMOUNT MINED IN 1971, THE FIRST YEAR OF PRODUCTION. AS A RESULT, NIGER NOW RANKS FIFTH AMONG THE WORLD'S LEADING URANIUM PRODUCERS BEHIND THE UNITED STATES, CANADA, AUSTRALIA AND SOUTH AFRICA.

NIGER'S REVENUE FROM URANIUM FOR THE CURRENT FISCAL YEAR IS EXPECTED TO BE ABOUT EIGHTY MILLION DOLLARS, OR NEARLY ONE THIRD OF THE COUNTRY'S 1977-78 BUDGET. AND WITH THE CONTINUING INCREASE IN WORLD URANIUM PRICES, PLUS PLANS FOR INCREASED PRODUCTION OF THE MINERAL THE NIAMEY GOVERNMENT EXPECTS URANIUM TO ACCOUNT FOR NINETY-SEVEN PERCENT OF NIGER'S EXPORTS.

THE MOST CAUTIOUS ESTIMATES PUT NIGER'S URANIUM ORE RESERVES AT FIFTY-THOUSAND TONS -- A LIFESPAN OF TWENTY-FIVE YEARS AT THE PRESENT RATE OF EXPLOITATION. A GREAT DEAL OF THE REVENUES DERIVED BY URANIUM MINING WILL GO TO PROJECTS AIMED AT ACHIEVING SELF-SUFFICIENCY IN FOOD SUPPLIES AND PROVIDING A BASIS FOR ECONOMIC GROWTH WHEN THE URANIUM EVENTUALLY RUNS OUT. TO THIS END, NIGER IS PLANNING A NUMBER OF HYDROAGRICULTURAL PROJECTS ALONG THE NIGER RIVER AND LAKE CHAD TO HELP MODERATE THE EFFECT OF SEASONAL

DROUGHTS. IN ADDITION, THE REVENUE FROM URANIUM EXPORTS IS BEING USED TO BUILD UP HERDS OF LIVESTOCK LARGELY DECIMATED IN THE LAST DROUGHT TO HIT NIGER. THE NIAMEY GOVERNMENT IS ALSO FACED WITH THE PROSPECT OF BUYING AS MUCH AS FIFTY THOUSAND TONS OF GRAIN NEEDED TO TIDE ITS POPULATION OVER TO THE NEXT HARVEST.

IN ADDITION TO URANIUM, NIGER HAS COMMERCIAL QUANTITIES OF COAL OF PHOSPHATES. EXTRACTION OF ITS COAL DEPOSITS HAS JUST BEGUN AND THERE ARE AN ESTIMATED TWO HUNDRED MILLION TONS OF PHOSPHATES WAITING TO BE MINED NEAR THE BORDER WITH UPPER VOLTA.

THIS NEW-FOUND MINERAL WEALTH HAS BEEN DESCRIBED AS A DRAMATIC TURNABOUT FROM THE 1960'S WHEN GROUNDNUTS, HARD HIT SINCE THEN BY DROUGHT AND DISEASE, ACCOUNTED FOR SOME SEVENTY PERCENT OF NIGER'S FOREIGN CURRENCY EARNINGS.

-0-

JS/RTD